Secrt. II-27—100,000—21-6-52.

Development (1948) Department.

Mis. SERIES.

G.O. No.	792
Dated	18-2-48

[Despatch Abstract.]

griculture - Grow More Food - Groundnut Oil Cake - Partial decontrol - ress Note issued - Papers recorded.

Office of the Director of Agriculture,
Madras, dated 9th January 1948.

NOTIFICATION.

In exercise of the powers conferred by section 3 of the Madras Essential Articles Control and Requisitioning (Temporary Powers) Act, 1946 (Madras Act XIV of 1946) delegated to the Director of Agriculture in G.O. Ms. No. 662, Development, dated 20th February 1947, the following order is issued:-

The stock of groundnut oil cake held by the mills as on the close of business on 16.1.1948 whether they are in the premises of the mills or elsewhere are hereby freezed for arranging for their equitable distribution to the ryots.

The mills are responsible for the safe custody and delivery of the stocks to the Agriculture Department in full.

Payment will be made at rates fixed in notification issued along with G.O. Ms. No. 4257, Development Department dated 1st September 1947.

DIRECTOR OF AGRICULTURE.

...

Copy of Letter No. NIL dated 22.1.1948 from the Secretary, South India Oil Mill Owners Association, Madras to the Secretary to Government, Development Department, Government of Madras, Madras.

Re:- Groundnut oil cake - 40% decontrol.

We have the honour to invite your kind attention to our letter dated 19.1.1948 respecting the above subject.

Besides the question of price for the 40% decontrolled portion, the manner of its distribution has not been given in your order No. G.O. 138, Development, dated 10.1.1948. During the last 2 days we have received a number of enquiries from our members requesting clarification on this point also. It appears, the subordinate officials of the Agricultural Department in the various places are giving different opinions regarding the manner of distribution of this 40%. Some, it has been pointed out to us, are stating that this 40% should be handed over only to licenced dealers, while some seem to express the opinion that this can be sold to anybody, viz., ryots, merchants, fertiliser factories, etc. but only after the 60% has been handed over to the Government. As the whole the question is not fully clarified and as millers are desirous of entering into forward commitments for the 40% cake not coming within the purview of Government's procurement scheme, it will be very helpful if you can arrange to publish the full details regarding the price and the manner of distribution of the decontrolled portion at an early date - either through Gazette or through Press.

Another point, which we have to place before you is, about the movement restriction on oil-cake, that is still in continuance. We think, the restriction in movement within the Province may be lifted, or in the alternative some [illegible]y method by which millers can move their 40% decontrolled [illegible]on without delay or difficulty must be put into operation.

Awaiting the favour of your early

thanking you in advance.

(Sd) V.S. Krishnamurthi,
Secretary.

Copy to the Director of Agriculture, 1st Line Beach, Madras with a copy of our letter dated 19.1.1948 addressed to the Secretary to Government of Madras, Development Department, Madras.

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AGRICULTURE DEPARTMENT

From

Sri. B.M. Lakshmipathy,
B.E., M.E., M.R.A.S.E.,
Joint Director of Agriculture,
11/12, North Beach Road,
Madras.

To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

No. R.O.C. G3/901/47 dated 22.1.1948.

Sub:- Agriculture - Grow More Food - Groundnut cake - Procurement from Mills - Partial relaxation.

Ref:- G.O. Ms. No. 5765, Development, dated 12.12.1947.

In ordering partial relaxation in the procurement of groundnut oil cake from the Mills in G.O. Ms. No. 5765 dated 12.12.1947 the Government have decided that 40% of the production in the Mills should be left to the Mills for sale through trade channels without price control, the partial decontrol being subject to the following among other conditions:-

"The Millers (or the merchants to whom the mills may sell the cake) will not be allowed to export the decontrolled portion out of the Province. They should sell the quantity within the Province itself at reasonable prices as far as possible to Agriculturists direct'.

To implement the above, the withdrawal and repeal of my notification in R.O.C. G3/642/47 dated 6.9.1947 (copy enclosed for ready reference) fixing Dealers' ceiling prices and republication of the Madras Oil Cake Movement Control Order are considered necessary. I request that early orders of the Govefnment for withdrawal of the notification in my R.O.C. 642/47 dated 6.9.1947, as otherwise any sale by the miller or merchants at prices higher than the ceiling rates will constitute an offence liable for prosecution. With the notification in force the price control will exist.

3. The Oil Cake Movement Control Order, 1943 restricts even movement of cake from one district to another except under a permit issued by me or any person authorised by me on this behalf. As per condition 4 relating to partial relaxation the Millers are only not to be allowed to export the decontrolled portion out of the Province, which means that they should be able to move the cake within the Province without any let or hindrance. Evidently with this end in view the Government have called for suitable draft

notifications for amending the Madras Oil Cake Movement Control Order, 1943 in para 3 of G.O. under reference. As the Oil Cake Movement Control Order 1943 has been issued in exercise of the powers conferred by Rule 81 of the Defence of India Rules which stands repealed, I have submitted a draft of a revised Oil Cake Movement Control Order for publication with my R.O.C.G3/901/47 dated 24.12.1947. In the absence of a new order every movement of cake by the Millers or Merchants will have to be supported by a permit issued by me or any person authorised by me in this behalf with the oil cake Movement Control Order, 1943 in force. I request the Government may be pleased to reconsider their decision communicated in Government Memorandum No. 1181/A/III/48-3 dated 10.1.1948 and republish the Madras Oil Cake Movement Control Order.

A preliminary report on the working of the scheme has been called for to be submitted on 1.2.1948. As the partial decontrol has come in force only from 17.1.1948, I shall be submitting the first report by 1st March 1948 reviewing the progress for a month.,

(Sd) B.M. Lakshmipathy,
Joint Director of Agriculture.

...

No. R.O.C. G3/642/47.

OFFICE OF THE DIRECTOR OF AGRICULTUR
Madras, dated 6th September 1947.

NOTIFICATION.

In exercise of the powers conferred by section 3 (1) and 21(6) of the Madras Essential Articles Control and Requisitioning (Temporary Powers) Act, 1946 (Madras Act XIV of 1946) delegated to the Director of Agriculture in G.O. Ms. No. 662, Development, dated 20.2.1947, the Director of Agriculture issues the following notification revising the dealers wholesale and retail prices of all types of groundnut oil cake fixed in his notification dated 22.2.1945 published at page 146 of Part II of the Fort St. George Gazette dated 27.2.1945.

No person shall sell groundnut oil cake in wholesale or retail in the districts mentioned in Column (2) of the Schedule below at prices higher than those specified in the corresponding entries in column (3) of the schedule [illegible] (Rupees ten and

SCHEDULE.

Dealers' maximum price for groundnut oil cake.

No.	Districts.	Price per bag containing 160 lbs. nett packed in single new gunny-delivery ex-delaers' godown.
(1)	(2)	(3)
1.	North Vizag. S. Vizag. East Godavari, West Godavari, Kistna, Guntur, Kurnool, Bellary, Anantapur and Cuddapah.	Rs. 9/- (Rupees Nine only).
2.	Nellore, Madras, Chingleput, South Arcot, Chittoor, North Arcot, Salem, Coimbatore, Trichinopoly, Tanjore, Madura Ramnad, Tinnevelly, Malapar, South Kanara and Nilgiris.	Rs. 10-8-0 (Rupees ten and annas ~~e~~ eight only).

Note:-

(1) These rates apply to Groundnut oil cake prepared by any process (expellers, rotaries, presses, chekkus, etc.) and are inclusive of all charges of the dealer including sales-tax.

(2) This order comes into force on and from 7.9.1947 and applies to all deliveries effected on or after that date.

(3) The total procurement scheme sanctioned in G.O. Ms. No. 2642, Development, dated 8.7.1946 is in force. All producers of groundnut oil cake should deliver their stocks only to the Agricultural Department.

Dealers are prohibited from buying and selling of groundnut oil cake but groundnut oil cake produced in country wooden or stone chekkus is excluded from the total procurement scheme. Those who sell groudnut oil cake produced in country wooden or stone chekkus above the ceiling rates are liable for prosecution.

(Sd) M.S. Sivaraman,
Director of Agriculture.

To
The Superintendent, Government Press, for publication in the Fort St. George Gazette.
Copy to the Editor, 'The Hindu', 'Mail', 'Indian Express', 'Free Press', 'Wsadeshamittran', 'Andhrapatrika', 'Dinamani', 'Liberator (Madras) and 'Mathurbhumi'(Calicut), for favour of publishing in the dailies as a piece of general information to the public.
Copy to all District Agricultural Officers with 15 spare copies. to each District Agricultural Officer for A.Ds.).
Copy to all Deputy Director of Agriculture.
Copy to all sections in Director of Agriculture's office.

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GOVERNMENT OF MADRAS.
Development Department. -

Office Memorandum No. 2659/A.IV/47-1 dated 29.1.48.

Sub:- Agriculture - Grow More Food - Groundnut cake - Partial relaxation.

Ref:- From the Director of Agriculture, No. G3/901/47 dated 22.1.1948.

The Director of Agriculture is permitted to withdraw the notification issued in his letter No. G3/642/47 dated 6.9.1947.

2. The Director of Agriculture is informed that there is no need to reconsider the previous decision of Government regarding the republication of the Madras Oil Cake (Movement Control) Order, 1943. In order to get over this difficulty pointed out by the Director of Agriculture, he is requested to issue a standing circular to the millers concerned to move and sell the decontrolled portion of groundnut cakes within the Province.

3. In partial modification of para 8 of

G.O. Ms. No. 5765, Development, dated 12.12.1947, the Director of Agriculture is permitted to submit his preliminary report by 1.3.1948.

K.G. Menon,
Secretary to Government.

To

The Director of Agriculture.

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GOVERNMENT OF MADRAS.
Public (Information and Publicity) Department.

PRESS NOTE NO. 30.

Fort St. George, Madras, Dated 30th January 1948.

Sub:- Partial decontrol of groundnut oil cake.

Till now, the Agricultural Department was procuring the entire production of groundnut oil cake from the oil mills for sale to ryots. Consequent on the decontrol of groundnut kernel by the Government of India and the uprising/prices, several millers represented to Government that they were unable to produce groundnut cake and sell it without loss, within the ceiling rate fixed by the Government. They requested that some relief should be given to them by decontrolling a portion of the groundnut cake produced by the mills. They assured the Government that by increased production they would be able to guarantee to deliver to the Agricultural Department the same quantity per year as during the period of total procurement and that free sale of the de-controlled portion of the production would help agriculturists to buy extra quantity of cake to manure their lands in addition to the quota given by the Agricultural Department.

The Government have considered the matter carefully and have ordered that with effect from 17th January 1948, 40% of the production of the mills should be left to the mills for sale direct to agriculturists or through the trade channels without price control and that 60% of the production should be compulsorily procured by the Agricultural Department within the ceiling rate. The partial decontrol is subject to the following conditions.

1. It will apply to the production of the mills only from and after 17th January 1948. The stocks with the mills at the close of the day on 16.1.1948 have been frozen.

2. The millers should guarantee to supply to the Agricultural Department a minimum specified quantity per annum. The quota for each mill will be fixed by the Director of Agriculture on the basis of the previous years' production. Only after each mill delivers the quota to the Agricultural Department the balance will be allowed to be sold by the mills.

3. The millers or merchants to whom the millers may sell the cake should not export the decontrolled portion out of the Province. The millers should sell the quantity within the Province itself at reasonable prices direct to ryots or through licensed merchants but not through unlicensed merchants.

4. For movements within the Province necessary permits should be obtained under the Madras Oil Cake Movement Control Order. No permits will be issued for exports outside the Province.

5. The licences of the millers are liable to be cancelled without assigning any reasons or previous notice for breach of any of the above conditions.

6. The partial decontrol is liable to be revoked if it is not found to work properly or if it is abused by millers and merchants.

The Government trust that oil millers and all concerned will make this partial decontrol a success.

C.V. Hanumantha Rao,
Director of Information & Publicity.

...

GOVERNMENT OF MADRAS.
Development Department.

Letter/Reference No. 2659/A-II/48-3.

From

Sri. K.G. Menon, I.C.S.,
Secretary to Government.

To

The Secretary,
South India Oil Mill Owners Association,
Post Box No. 153, Madras.

Dated, Fort St. George, the 30th January 1948.

Sir,

Sub:- Agriculture - Grow More Food - Groundnut oil cake - Partial decontrol.

Ref:- Your letters dated 19.1.1948 and 22.1.1948.

I am directed to acknowledge the receipt of your letters cited and to enclose a copy of the Press Note No. 30 dated 30.1.1948 issued by the Government which answers the points raised in your letters.

Copy to D.A.

Yours faithfully,

(Sd) K.G. Menon,
Secretary to Government.

...

GOVERNMENT OF MADRAS.
Public (Information & Publicity) Department.

PRESS NOTE NO. 56, DATED 27th February 1948.

Sub:- Partial decontrol of groundnut cake - Further instruction.

In the Press Note dated 30th January 1948, the Government explained the scheme for partial decontrol of groundnut cake. They now issue the following further instructions:-

(i) The millers are permitted until further orders to deliver to the Agricultural Department 60% of their present production of groundnut oil cake only and not a higher quota to be fixed by the Director of Agriculture

year's production as previously ordered.

(2) They are permitted to dispose of 40% of their production without any release orders from the District Agricultural Officers.

(3) In order to ensure that the millers take only 40% of their production for free trade, they should submit to the Director of Agriculture a weekly statement of the production instead of the present fortnightly and monthly statements. Any fraudulent accounts and non-delivery of 60% to the Agricultural Department will entail cancellation of licence apart from other penalties.

(4) The Millers can freely move the decontrolled portion of their production to any place within the Province. But dealers should obtain a permit from the Director of Agriculture or any officer authorised by him to move the cake from one district to another under the Madras Oil Cake Movement Control Order.

C.V. Hanumantha Rao,
Director of Information & Publicity.

...

GOVERNMENT OF MADRAS.
Development Department.

Letter/Reference No. 14937/AIII/48-4.

From

Sri. C.V. Narasimhan, I.C.S.,
Deputy Secretary to Government.

To

1. The Secretary,
The Erode Oil Mill Owners' Association,
Erode.
2. The President,
South India Oil Mill Owners' Association,
Post Box No. 153, Madras.
3. The Honorary Secretary,
Nandyal Oil Mills Association, Nandyal.

Dated, Fort St. George, the 13th March 1948.

Sir,

Sub:- Agriculture - Grow More Food - Groundnut cake - Partial decontrol.

Ref:- 1. Your letter dated 3.2.1948.
2. Your letter dated 5.2.1948.
3. Your letter dated 6.2.1948.

I am directed to enclose a copy of the Press Note No. 56 dated 27.2.1948.

Yours faithfully,

(Sd) C.V. Narasimhan,
Deputy Secretary to Government.

...

/True cop

v.s. 24.7.

The further correspondence from the South India Oil Millowners Association and the Director of Agriculture will be found at pages 23-31 c.f. The following points have been raised:-

(1) The South India Millowners Association wants to know whether the millers can sell the 40% of their production of cake at any price;

(2) they also want to know whether they can sell that portion of cake only to licenced dealers or to any body, viz., ryots, merchants, fertiliser factories, etc. and only after 60% is delivered to the Department;

(3) The Director of Agriculture wants permission to cancel his price control notification dated 6.9.1947 at page 31 c.f.;

(4) he also requests that the Madras Oil Cake (Movement Control) Order, 1943 may be republished, so as to allow movement of groundnut cake by the millers from one district to another without a permit from the Director of Agriculture.

(5) The Director of Agriculture requests permission to submit his preliminary report reviewing the working of partial decontrol by 1.3.1948 instead of on 1.2.1948 with reference to para 8 of G.O. Ms. No. 5765, Development, dated 12.12.1947.

Item (1) above:- In G.O. Ms. No. 5765, Development, dated 12.12.1947 the Director of Agriculture has been informed that there will be no price control regarding the 40% of the production left to the mills for distribution through the ordinary trade channels. This may be given publicity by a Press Note. The 40% should be sold only after selling 60% to the Agricultural Department - see condition (iii), Press Note.

K.G.M.

Item (2) above:- One of the conditions imposed in connection with the partial decontrol is that "the millers (or merchants to whom the mills may sell cake) will not be allowed to export the decontrolled portion out of the Province. They should sell the quantity within the Province itself at reasonable prices as far as possible to agriculturists direct". The intention of Government seems to be that that the sale to ryots should done through the licenced dealers only and not through any merchant. For orders if this may be made clear in the Press Note to be issued.

Yes, but there is no reason why they should not sell straight to ryots

K.G.

Item (3) above:- The Director of Agriculture's request may be agreed to.

K.G.M.

Item (4) above:- The question of republication of the Madras Oil Cake (Movement Control) Order, 1943, was considered more than once and dropped.- vide the notes on pages 1-2 n.f. of G.O. No. 138, Development, dated 10.1.48. It does not seem necessary to reconsider the matter. The difficulty pointed out by the Director of Agriculture can be got over by asking the Director of Agriculture to issue standing permits to the mills to sell the decontrolled portion of the cake throughout the Province. For orders.

K.G.M.

for

Item (5) above:- The permission sought/by the

the Director of Agriculture may be granted.

A draft Press Note and a draft Office Memorandum are submitted.

N.M.
27.1.48.

"May issue".

W.R.S.S.
27.1.48.

H.M. (Agriculture). K.M.
27.1.

Hon'ble Premier. O.P.R.
28.1.48.

The case may now be sent to Public (Information & Publicity) Department for issue of the Press Note. A draft letter to the South India Oil Mill Owners Association is also submitted for approval.

x x x
29.1.

The press note may issue.

x x x
30.1.48.

PUBLIC (I.&.P.) DEPARTMENT

The press note has been issued. This may now be returned to Development.

R.D.
30.1.48.

DEVELOPMENTDEPARTMENT

The press note has issued. The Draft letter to the South India Oil Mill Association may issue.

Copies of the Press Note should go atonce by special messenger to the Director of Agriculture (and other addresses).

x x x
30.1.

K.G.M.
30.1.

(Issued as letter No. 2659/A-III/48-3 dated 30.1.1948).

Copies of the Press Note has been sent to all the Heads of Departments referred to in the margin on page 37 c.f. No further action seems called for. The papers

may be recorded.

x x x
18.2.

G.O. Ms. No. 792 dated 18.2.1948.

Agriculture - Grow More Food - Groundnut Oil Cake - Partial decontrol - Press Note issued - Papers recorded.

...

In G.O. Ms. No. 5765, Development, dated 12.12.47, the Government ordered the decontrol of 40% of the production of groundnut oil cake in the mill. The millers were directed to sell to Agricultural Department the quota fixed/the Director by of Agriculture for each mill or 60% of the production whichever is higher. It was also ordered that the quota for each mill should be fixed by the Director of Agriculture on the basis of previous year's production. The intention of the Government was that at least 1,50,000 tons of groundnut cake should be procured by the Agricultural Department in a year.

2. The South India Oil Mill Owners Association and other Mill Associations have represented that the mills are now working with 50% of their production capacity and if the quota is fixed as at 'A' on page 3 above the millers will have to hand over their entire production to the Agricultural Department. The Associations have therefore requested that the Government should procure only 60% of this year's production. They have also represented that the millers should be allowed to sell 40% of the production without waiting for the release orders from the Agricultural Department. The Director of Agriculture has not yet offered his remarks on the representation called for in the Memorandum on p. 1 above.

3. Please see page 21 c.f. The Director of Agriculture has agreed to the above suggestions and has made the following proposals:-

(a) The millers may be permitted to dispose of 40% of their production without the issue of release orders from the District Agricultural Officers;

(b) The Millers should submit a weekly statement of their production instead of the fortnightly and monthly statements now in force.

(c) That the question of fixation of a fixed quota for each mill may be deferred for the present;

(d) that the millers may be allowed free movement of cake within the Province. But the dealers should obtain a permit for export outside their district.

For orders whether the above proposals may be agreed to.

As suggested by the Director of Agriculture, a Press Note may be issued. The draft below is for consideration. The case may be circulated to Hon'ble Minister

(Agriculture) and Hon'ble Premier for approval.

N.M.
18.2.1948.

"It is impracticable to centralise licensing with the Director of Agriculture, who may likely issue of permits. I have therefore made an addition to the draft with the intention that Director of Agriculture should delegate this function to District Officers."

W.R.S. Sattianathan, (Secretary)
20.2.

Hon'ble Minister (Agriculture) K.M.
20.2.

Hon'ble Premier. O.P.R.
25.2.48.

Issue.
C.V.N.
25.2.48.

(From the Director of Agriculture, No. G3/129/48 dated 18.2.1948).
(From the Director of Agriculture, No. G3/143/48 dated 20.2.1948).

The Director of Agriculture's further reports on pages 23-31 c.f. with reference to our Memorandum on pages 17-19 c.f. may be perused. Further action on the Director of Agriculture's reports may be taken after issue of the draft Press Note. The case may now be sent to Public (Information & Publicity) for issue of the draft.

x x x
26.2.

C.V. Narasimhan,
26.2.48.

PUBLIC (INFORMATION & PUBLICITY) DEPT

The press note has been issued. The case may now be returned to Development.

R.D.
28.2.48.

DEVELOPMENT DEPARTMENT

A copy of the Press Note has been despatched to the officers noted in the margin on page 34 c.f.

Further report received from the Director of Agriculture on page 23 and page 31 c.f. may be perused.

Director of Agriculture's letter on page 23 c.f.

Para 7:- Presumably the Director of Agriculture refers

to the allegations made in para 4 of the Collector's letter on page 13 c.f.communicated to him separately. His reply is being awaited separately.

Director of Agriculture's letter on page 31 c.f. With reference to 'A' on page 31 c.f. it is submitted that ~~the /in~~ in the Press Note on pages 33-34 c.f. the millers have been permitted to deliver to the Agricultural Department 60% of the production and not a higher specific quota fixed by the Director of Agriculture until further orders. A copy of Press Note may be communicated to the Associations. A draft letter is submitted. After issue the papers may be added to G.O. No. 792, Development, dated 18.2.1948 in which the previous papers on the subject were recorded.

x xx

x x x
9/10.3.48.

C.V.Narasimhan,
11.3.48.

(Issued as Letter No. 14937/AIII/48-4 dated 13.3.1948).

.....

/True copy/

Superintendent,
Madras Record Office.

k.y.s. 25.7.

8/8/53.